NATIONAL ENERGY REGULATOR OF SOUTH AFRICA

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Ref: NER/D/NW384/2017/18

Mr B Mothogoane
The Acting Municipal Manager
Kgetleng River Local Municipality
P O Box 66
KOSTER
0348

Per E-mail:**mothogoaneb@kgetlengrivier.gov.za**

Dear Mr Mothogoane,

ELECTRICITY TARIFFS FOR THE PERIOD 1 JULY 2017– 30 JUNE 2018

Your application dated 17 May 2017 refers.

The Energy Regulator at its meeting held on 14 April 2017 approved the guideline increase of 1.88% for municipalities applicable for 2017/18 financial year. Consequently, the Energy Regulator considered your application for a tariff increase for the period 1 July 2017 – 30 June 2018 and approved the tariffs as follows:

Domestic Tariffs

- **Domestic Prepaid**

Tariff blocks	**c/kWh**
Block 1 (0-50 kWh)	86.53
Block 2 (51 – 350 kWh)	109.01
Block 3 (351 – 600 kWh)	144.21
Block 4 (>600kWh)	156.94

Regulator Members: Mr JRD Modise (Chairperson) Ms MMD Nkomo (Deputy Chairperson) *Mr C Forlee (Chief Executive Officer) Mr Y Adam *Ms N Maseti *Mr M Ncetezo Ms KR Mthimunye Mr FK Sibanda
*Full-Time Regulator Members

NERSA is a Regulatory Authority established in terms of the National Energy Regulator Act, 2004 (Act No 40 of 2004)

- **Domestic Conventional**

Tariff blocks	c/kWh
Block 1 (0-50 kWh)	87.00
Block 2 (51 – 350 kWh)	119.40
Block 3 (351 – 600 kWh)	146.00
Block 4 (>600kWh)	156.94

Basic Charge: R /month	183.86

Commercial Tariffs

- **Business Town/Rural**
  - Basic charge : R319.84/month
  - Energy Charge : 185.10c/kWh

- **Government/Mine Town**
  - Basic charge : R355.73/month
  - Energy Charge : 157.45c/kWh

- **Municipal**
  - Energy Charge : 193.80c/kWh

Industrial Tariff

- **Industrial /Municipal**
  - Basic Charge: R1 698.12/month
  - Energy Charge: 116.91c/kWh
  - Demand Charge : R194.00/kVA

The Energy Regulator further directs as follows:

- The municipality must send the quarterly progress report for NERSA to monitor the reduction of energy losses by 30 September 2017. Furthermore, the licensee must utilize its budget on implementing corrective measures and submit bi-annual progress reports.

Please note that in terms of the National Energy Regulator Act, 2004 (Act No. 40 of 2004), National Energy Regulator is entrusted to perform all the functions that the National Electricity Regulator used to perform, and amongst others, to review and approve tariff increase proposals by all licensed distributors of electricity in South Africa. Implementation of tariffs without approval of the Energy Regulator is a contravention of the license conditions issued to you.

It is therefore important that provision is made in your planning / budgeting cycle to allow time for the submission of applications for future changes or increases to NERSA for consideration.

Should you have any enquiries please do not hesitate to contact Ms N Sigwadi in the Electricity Pricing and Tariffs Department on (012) 401 4728 or email: Nkhangweleni.sigwadi@nersa.org.za.

Yours sincerely,

Chris Forlee
Chief Executive Officer

Date: 2/6/2017